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THE NATIONAL CIVIC FEDERATION AND INDUSTRIAL PEACE

BY SETH LOW,
New York.

It lies upon the surface of the day's events that the problems of industry are among the most serious problems of our times. Broadly speaking, this is true of every country in the world. It is certainly true that the United States affords no exception to the rule. In our country these problems relate both to the regulation of industry as a commercial undertaking, and also to the adjustment, on a satisfactory basis, of the relations between employer and employee. This latter aspect of the question is found in every country in which modern industry exists; and it is to this aspect of the problem in particular that this article is addressed.

The discussion which is now taking place in almost every state of the Union, and in the national congress, in favor of the substitution of what is known as "Workmen's compensation," in case of injury to workmen incident to their employment, instead of allowing their claims for damage to rest upon the old theory of "the employer's liability," is at once both an illustration and a demonstration of the profound changes which, as a matter of fact, have entered into the relations between employer and employee during the last century. The law establishing the liability of an employer to a workman injured in his employ was slowly developed during several centuries. The theory of the law was that the employer was liable to his employee because of a wrong done him; and that if the employer was not at fault, in other words, if he were not responsible for the accident, the employee could not collect. When industry was on a small scale, and employers and employees often worked side by side, this law presumably did substantial justice; but it is almost universally recognized to-day that this is no longer the case. Therefore, almost by common consent as one might say, society is abandoning the old point of view, and is assuring workmen, injured in the course of their employment, a certain compensation, without regard to whether the injury was due to the carelessness of their employers or not. In other words, it is almost universally recog-

nized, under modern conditions, that industry must bear the burden of making proper provision for injured workmen, precisely as it bears the burden of insurance against fire. This movement began in Germany many years ago, under the leadership of Bismarck. It has been followed by one European nation after another; last of all by England. Now the movement is in full swing all over the United States, and it is likely to express itself upon the statute books of congress and of every state in the Union within the next few years.

The significance of this illustration, from the point of view of this paper, is that it demonstrates beyond the need of argument the profound change that has taken place in modern industry in the old relations between employer and employee. While the illustration confines the demonstration to one particular field, the same deep-going changes of relationship are working correspondingly great changes in other departments of the industrial domain. There has grown up very widely among employees the feeling that the men who put labor into a railroad system, or into any other vast industrial plant, help to create that system just as truly as the men who put their money into it; and out of this belief there has grown, and is growing, a constantly strengthening conviction that those who work for such an enterprise acquire a property right in it just as real as the property right of those who embark capital in it. The problem of modern industry, so far as it relates to the relation of the employer and the employee, seems to me to be to discover the just and equitable and practicable way of reconciling these two claims to property right in modern industry. As long as business enterprises were under individual management, it was not unnatural for a man, whose energy built up the enterprise and whose entire fortune had been at risk in developing it, to feel that it was his business. Neither was this claim seriously disputed by labor under old conditions. But the situation is evidently entirely changed when an enterprise is financed by tens of thousands of stockholders who give no time or thought whatever to its conduct; and when its affairs are administered not by the people who finance it, but by salaried officials. This at least is my own diagnosis of the industrial problem of our time.

As is the case in all transition periods, there are plenty of men who go to one extreme or the other. The typical employer of the

old school finds it impossible to realize that any change which has taken place in industrial organization has affected in the slightest degree the old time relationship as to this matter between employer and employee. To such men the business belongs, as a matter of fact and of course, to the men who put money into it; and the men who work for it are no more entitled to say anything about the business than under the old régime. On the other hand, the socialist party takes the opposite extreme with equal vehemence. The socialists claim that all industrial wealth is created by the men who labor; and that, therefore, all the instrumentalities of industry—the land, the factories, the machinery, and all the rest—should belong to the state. Thus, while one extreme eliminates labor from all control of the business, the other extreme seeks to eliminate capital from all control of the business. While both of these parties of extremists are striving to convince the world that their view is the only right view, and their attitude the only possible attitude, the average employer and the average workman are trying somehow to better conditions day by day, in the hope that some day the ideal relationship of every workingman to the enterprise to which he gives his time and labor, which are his life, will yet be developed. The problem in this aspect is more a practical problem than a problem of theory. Multitudes of employers would like to interest their employees in the business in the same whole-hearted way in which they are themselves interested in it; but it must be said that, up to the present time, no method of doing this, of universal application, has been discovered. What we see, therefore, all over the world, is the division of employers and of employees into two camps; the employees uniting to secure for themselves better and better terms, and the employers uniting to present a common front against the demands of their united employees. It will probably not be disputed by anyone that, as a result of this attitude on the part of employees, multitudes of workmen have secured shorter hours of labor, higher wages, and better physical conditions under which to work. Some day it may well be hoped that out of this study *en masse* of the relations between employers and employees, much that is still a matter of conflict between the two parties will be settled by mutual agreement, as, indeed, much has already been settled.

In this movement to discover terms mutually acceptable to

employers and employees in various industries, no practical method has been developed more promising than the "trade agreement." By a "trade agreement," I mean an agreement entered into by the representatives of the employers in a given trade with the representatives of the employees in the same trade, by which agreement the hours of labor, the rates of pay, and all the various other elements that enter into the relationships between employer and employee are agreed upon for a fixed period of time. Possibly no trade agreement upon the same scale and of such long duration can be cited as that between the American Newspaper Publishers' Association and the International Typographical Union of the United States and Canada. These two associations, after years of conflict, in the year 1900 formulated an agreement which was to last for one year, and which provided for the arbitration of disputes. This agreement has been modified and renewed from time to time, as experience has indicated. It has just been renewed for a third five-year period, and it forms to-day the basis upon which the newspapers of the United States appear, morning after morning, without interference from strikes. This new agreement was executed in January of the present year, to go into operation at the expiration of the previous agreement, on the 30th of April of this year. In other words the experience of the last five-year period was embodied in a new agreement, well ahead of the expiration of the old one; so that the industry has remained under control, as stipulated in the agreements, without any interruption. The agreement provides for the arbitration of all questions relating to wages and hours, working conditions, and disputes arising under contracts. It also provides for local boards of arbitration, with an appeal to a national board of arbitration. The membership of the local boards is placed at five, consisting of two representatives of the local union, two representatives of the publishers' association, and, in case they are unable to agree, another to be selected by the president of the International Typographical Union and the chairman of the special committee of the American Newspaper Publishers' Association. As thus constituted, the full board hears the case. At the conclusion of its presentation, the four original members go into executive session, and endeavor to reach an agreement. In case they fail, the chairman casts the deciding vote. An appeal lies to the national board of arbitration which is equally divided in numbers. This equal

division of the national arbitration board, while not without some embarrassments, is believed by the trade to give better results, on the whole, than a decision by an odd arbitrator who, from the nature of the case, can be only imperfectly informed on many of the questions to be decided.

Trade agreements exist between nearly all of the railway systems and the million or more members of the railway brotherhoods; between the anthracite and bituminous coal operators and the half million members of the United Mine Workers' Organization; between the thirty-five different employers' associations in the building trades and the several hundred thousand members of the various unions involved; between many of the large street railway systems and the members of the Amalgamated Association of Street Railway Employees; between the boot and shoe manufacturers, the hat manufacturers, the stove manufacturers, and the unions working in those trades. In the year 1908 there were trade agreements in as many as nineteen other trades. In all probability these statistics are incomplete; yet, as far as they go, they illustrate what a powerful factor the trade agreement has already become in the maintenance of industrial peace. By these agreements industrial strife is practically eliminated for long periods from the domain which they affect. Naturally, such agreements are possible only between employers and organized trades. The employers who decline to enter into such agreements sometimes justify themselves in declining, because, as they say, they wish to protect the labor which is not organized in its right to employment. If such employers would employ only unorganized labor, and make no effort to use, at the same time, organized labor, the problem would be greatly simplified; but, when they attempt to prevent their employees from organizing, or when they attempt to employ organized and unorganized labor side by side as if both were unorganized, they subject themselves to the suspicion that they are not so much concerned to protect the freedom of labor as they are to avoid dealing with labor when labor, like themselves, is organized and strong. In the industrial world to-day unorganized labor is just about as helpless as unincorporated capital. There are many abuses incident to organized capital; but for all that men do not propose to go back to doing business on an individual basis. There are evidently, and admittedly, very serious criticisms to be made of many of the methods and atti-

tudes of organized labor; but for all that it is probable that the industry of the future will have to deal with labor that is more and more completely organized. From which I conclude that the trade agreement is a useful and desirable agency for enlarging the boundaries of industrial peace.

When this question is considered in its national aspect, there are three factors affecting it in the United States which are particularly friendly to a sensible solution of one detail of the problem after another. In Great Britain the organized labor movement has become largely socialistic, and it is a fundamental basis of the socialistic conception that the employing class and the class of the employed have no interest in common. The socialists' appeal to workingmen is made frankly upon a class basis. In England, when such an appeal is made, it gets a ready response, because English society has been organized upon a class basis from time immemorial. Therefore, when appeal is made to labor as a class, in England, the labor class listens and responds. In the United States there is not, and there never has been, any such class organization of society. It is a part of our fortunate inheritance that this is so. Consequently, when an appeal is made to labor on a class basis, in the United States, such an appeal is quite as likely to offend as not; because laboring men in the United States feel themselves to be fellow citizens with all the rest of the population, and they do not recognize any classes as being either above them or below them. So far, at any rate, American institutions have been able quickly to imbue newcomers from Europe, who have grown up under class systems, with the American point of view and the American spirit.

Still another factor making powerfully for a happy solution of industrial problems in the United States, is the fact that the American Federation of Labor, and the great Railroad Brotherhoods are, in the main, non-socialistic. The typical socialists, as represented by the socialist party, assume that labor and capital have nothing in common. The organized labor movement in the United States, on the contrary, while it urges the demands of labor, equally recognizes the rights of capital. The attitude of organized labor in all the railroad brotherhoods and in a vast majority of the trade unions of the United States is, that the interests of capital and labor are not identical; but that they are usually, and perhaps always, reconcilable. The trade agreement, which is practically universal in the

railroad world, and which is extending rapidly in the industrial world, is the natural outcome of this attitude on the part of organized labor in the United States.

A further outcome of this attitude on the part of organized labor in the United States is The National Civic Federation—an organization which has no parallel in any other country in the world. Its governing body is made up in equal numbers of employers, of the representatives of organized labor, and of men fairly representative of the general public. The National Civic Federation thus affords a platform upon which all elements can meet and become acquainted with one another's point of view. It further affords an agency through which parties drifting towards a dispute may be brought into helpful contact with each other. The writer has served as the chairman of the conciliation committee of The National Civic Federation for many years, and he believes it to be literally true that, in every instance where the participants have been willing to come together in advance of a break, a settlement of the dispute has uniformly taken place. This is only one aspect of the activities of The National Civic Federation. Through special departments it is constantly engaged in welfare work, the object of which is to secure better working and living conditions for men and women employed in all industries and occupations of the country. It would be highly illuminating if it were possible to make clear to the public the number of establishments in which, by processes such as this, the physical conditions surrounding work-people have been, and are being, modernized. This work is constantly going on, and the effect of it is being felt more and more broadly. Another department has been taking the initiative in framing model legislation for changing employers' liability laws to laws providing for workmen's compensation. The Federation is now engaged, also, in a comprehensive study of the useful limits of public control of interstate and municipal corporations. Evidently an association, made up as The National Civic Federation is made up, can accomplish nothing when the views of its members do not coincide; but whenever all of the elements represented in the Federation are of one mind, it is equally clear that its influence is great and far-reaching. It is not too much to say that of all the agencies in the United States making for industrial peace, none has more capacity to be useful than The National Civic Federation.

It is, of course, only one of many agencies working to the same end; but it has a unique opportunity to be useful that is born of its mutual relationship to all parties to the industrial problem; that is to say, to the employer, to the employee, and to the general public. Naturally The National Civic Federation is attacked by the extremists at both ends of the line; but it is steadily demonstrating its value as an agency for the promotion of industrial peace and progress. Some strikes certainly take place in the United States, and occasionally they are serious; but they are few, indeed, in number to what they would be if no such agency existed as The National Civic Federation, with its ability to bring together both parties to a conflict before the break comes.